

Drive Carefully
better to be late
than the late

THE JERUSALEM POST

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TIME
September 24, 1984
COVER STORY:
★ AMERICA FEELS GOOD!
★ ISRAEL: Unity at last.
Sole Distributor
BRONFMAN

A. Hammer asked to aid refuseniks

By GREER FAY CASEMAN, DAVID LANDAU and MEIR RONNEN
Jerusalem Post Reporters
Both Premier Peres and Vice Premier and Foreign Minister Shamir yesterday asked oil tycoon and art collector Armand Hammer to intervene on behalf of Soviet Jewish refuseniks when Hammer meets President Chernomir in Moscow in a few days.

Hammer came to Israel to open an exhibition of paintings from his collection at the Israel Museum last night.

Sources in Jerusalem said Hammer agreed to meet with Shamir in New York next week - Shamir will be attending the UN General Assembly - to report on any progress in his efforts in Moscow.

The sources added that Peres and Hammer discussed a proposal for a joint chemical project in which Hammer's company, Occidental Petroleum, would supply the capital, Israel the phosphates and Egypt the ammonia.

Peres also suggested that Hammer set up a foundation for pharmaceutical research in Israel.

Hammer agreed to check the possibility of Israeli products being sold in countries now off-limits to them, such as China.

An aide to Peres told *The Jerusalem Post* that contrary to some reports, this is not Hammer's first visit to Israel. Hammer has been here three times previously, usually travelling incognito, most recently last year, the source said.

A huge throng attended the opening of the Hammer exhibit last night at the Israel Museum, where Hammer was presented with the museum's honorary fellowship. The stunning collection of Old Masters and Impressionists will be open to the public from tomorrow. For many Israelis, it will be their first opportunity to see major paintings by Rubens, Tintoretto, Rembrandt and Titian. Entitled "500 Years of Art," the show contains 96 paintings and drawings handsomely displayed in the Floerbaheim Impressionist Gallery.

Speaking at last night's ceremony, Peres remarked that art, like oil, is universal. In a brief response, Hammer expressed the hope that he

(Continued on Page 2, Col. 6)

Peres and Reagan to meet on October 9

Jerusalem Post Correspondent
Prime Minister Shimon Peres is to meet with U.S. President Ronald Reagan in Washington on Tuesday, October 9, White House Press Secretary Larry Speakes announced yesterday.

New UN session begins

UNITED NATIONS. (Reuters) - The UN General Assembly opened yesterday amid hopes that the three-month session will help reduce East-West hostility and lead to resumed negotiations on nuclear disarmament.

U.S. President Ronald Reagan's decision to meet Soviet Foreign Minister Andrei Gromyko at the White House on September 28 was seen as a promising sign. It will be Reagan's first encounter with a Kremlin leader.



Prime Minister Shimon Peres, Finance Minister Yitzhak Moda'i and Industry and Trade Minister Ariel Sharon at yesterday's Manufacturers Association annual general meeting. (Hanoach Guttmann)

Tax brackets still not adjusted

By AVI TEMKIN
Post Economic Reporter
In an effort to force the Histadrut to come to terms, the Finance Ministry announced yesterday that it is delaying the 13.2 per cent adjustment of income-tax brackets for September.

The ministry also hinted that the adjustment will be conditional on the labour federation's acceptance of a 10 per cent reduction in the

Cost-of-Living increment as part of a package-deal agreement.

The Treasury agreed early this month to adjust the tax brackets after the Histadrut threatened labour unrest following the ministry's refusal to adjust August's brackets.

The ministry also announced that Finance Minister Yitzhak Moda'i has cancelled his planned trip to the U.S., since he thinks that his presence in Israel is vital at this time.

Moda'i's decision not to revise the brackets was criticized in the Knesset Finance Committee, which yesterday approved the adjustment for August.

On the initiative of Knesset Member Haim Ramon (Labour), a majority of the committee called on the Treasury to revise the brackets for September.

According to Treasury officials, Moda'i is disappointed by developments in recent days. On Sunday he was convinced that he had cabinet backing for a \$1 billion budget cut, but now it appears that there are increasing obstacles to this.

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Peres calls on public to set economy straight

By PINHAS LANDAU
Post Finance Reporter
HERZLIYA. - Prime Minister Shimon Peres yesterday issued a direct appeal to the entire population to pull together to set the economy on the road to recovery.

Speaking at the annual general meeting of the Manufacturers Association in Herzliya, Peres turned to every citizen "with a request and demand" that they increase the level of their savings. "Every unnecessary expense should be set aside and the money put into savings, whose value the government guarantees."

Peres also appealed to managers and workers in every place of work to make efforts to increase their productivity.

His third request was directed directly at his audience of industrialists, on the one hand, asking them to place the emphasis of their activity on the export sector, and to the general public on the other hand, that they should, for the next six months, buy only Israeli goods and thereby save precious dollars for the country.

"No disaster will befall anyone if for the coming period they refrain from buying imports and buy 'blue-white' instead."

Peres's short speech appeared to impress the assembled industrialists and manufacturers. It followed speeches by Industry and Trade Minister Ariel Sharon, Finance Minister Yitzhak Moda'i and Economy and Planning Minister Gad Ya'acobi.

Whereas the previous speakers concentrated on the immediate problems of the economy as a whole and industry in particular, Peres sought to broaden the scope to take in the entire socio-economic perspective for the country.

"The government is fully aware of the severity of the situation (of the economy), but it is fully confident that the crisis can be overcome," he said. "What we want is not to return the economy to the past but to join it to the era of the third stage of the industrial revolution that is now taking place."

The government's first decision was to cut its budget by \$1 billion, the premier noted, admitting,

however, that the test of its resolve would be in the execution of this decision.

"The responsibility for economic policy in this government will not rest with one or two ministers, but with the government as a whole, and it will have to act on a collective basis," Peres said.

For the recovery to take place, the entire nation will have to cooperate willingly, and therefore the burden will have to be shared, he continued. "I warn everyone that if there is no voluntary mobilization - in what he termed the war of economic independence - the slide will continue."

Peres announced that the government will request extra U.S. aid to help it over the financial crisis, and he revealed plans to set up investment funds, funded by foreign money - possibly from Diaspora Jewry - to develop the technology-based industries that the country needs.

"But," said Peres, "we cannot turn to anyone, nor will anyone respond to us, until we have set our own house in order. There is no

(Continued on Back Page)

Moda'i puts it bluntly to the manufacturers

By PINHAS LANDAU
Post Finance Reporter
In a hard-hitting address to the Manufacturers Association yesterday, Finance Minister Yitzhak Moda'i spelled out in plain language how he expected the economy to move through the difficult period ahead of it and go on to recover.

Apologizing for his late arrival, Moda'i said that he had been detained at a meeting with U.S. Ambassador Samuel Lewis, and that as a result of this meeting it was now clearer than ever to him that "only we can save ourselves." This was what Lewis told him, said Moda'i; "this was almost the motto of the meeting - 'only you can help yourselves' - and you know what? I agree!"

The finance minister was brutally explicit to the manufacturers as to what lay ahead for them. Dismissing their protests at the decision taken yesterday to stop all government shekel loans to industry on October

1, Moda'i told his audience they would have to work very hard finding themselves foreign markets.

This would be for lack of any alternative: "I promise you I will shrink your local markets," said the minister adding: "The mild cow that was the government is no more, it has died."

These remarks were received with shock and anger by the industrialists, but Moda'i pressed on: "You know what you have done to prices in the last two weeks?" he asked rhetorically. "Some of you have doubled your prices, in expectation of an imminent price freeze. Is that how you want to stabilize things?"

He continued: "I was astounded when I received the figures, and I know who was involved - including some of the most notable names in industry."

Government support, he declared, will be ever more selective, and it will concentrate on avoiding unemployment and encouraging

production, particularly in development towns. Moda'i promised that the government would withdraw completely from the capital markets as soon as was practicable.

Above all, Moda'i stressed - and Economy and Planning Minister Gad Ya'acobi was to echo him on this point - the major contribution of the government should be to bring about a change in the structure of the economy, redirecting excess manpower from the government and service sectors to industry and production.

The real proof of the government's intentions, Moda'i said, will be in their implementation along the lines laid out in the programme. If some sectors try to dodge their share, there will be no benefit from the whole exercise. Only if everyone pulls together, and then after an unpleasant transition period, will the desired results be obtained, the finance minister said.

Peres signals hope for thaw to Mubarak

Post Diplomatic Correspondent
Prime Minister Shimon Peres yesterday sent a personal message to Egypt's President Mubarak, apparently signalling the new Israeli government's hopes for a thaw in the "cold peace."

Peres's aides declined to discuss the contents of the message. They confirmed, though, that it represents an indication of Peres's desire for a dialogue with the Egyptian leader.

Peres's message came in reply to a note of greeting from Mubarak, delivered by the Egyptian charge d'affaires, Mohammed Bassioni.

After the meeting, the envoy reiterated to newsmen Egypt's three conditions for a thaw in the relationship:

- Israel's withdrawal from Lebanon,
- Improvement of Israel's treatment of the Palestinians under its rule, and
- A start on negotiations over Taba, the disputed border zone near Eilat.

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The weather at major Swissair destinations

	MIN.	C	F	MAX.
AMSTERDAM	12	14	57	63
BRUSSELS	12	14	57	63
BUDAPEST	13	15	59	65
CHICAGO	13	15	59	65
COPENHAGEN	13	15	59	65
FRANKFURT	13	15	59	65
GENEVA	13	15	59	65
HELSINKI	13	15	59	65
HONG KONG	26	29	84	84
JERUSALEM	11	12	54	54
LONDON	11	12	54	54
MADRID	11	12	54	54
MONTREAL	7	8	46	46
NEW YORK	11	12	54	54
OSLO	7	8	46	46
PARIS	11	12	54	54
ROME	14	16	57	63
SAD PAUL	14	16	57	63
STOCKHOLM	14	16	57	63
TOKYO	26	29	84	84
TORONTO	9	10	50	50
VIENNA	11	12	54	54
ZURICH	12	14	57	63

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THE WEATHER

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	49	15-26	27
Golan	49	15-26	27
Nabariya	51	16-26	27
Safad	51	16-26	27
Haifa Port	51	16-26	27
Tiberias	39	20-34	34
Nazareth	41	19-28	28
Afula	46	19-30	30
Shomron	46	18-28	28
Tel Aviv	57	22-28	28
B-G Airport	57	22-28	28
Jericho	45	20-35	35
Gaza	63	21-27	27
Beersheba	36	16-30	31
Eilat	31	23-34	37

SOCIAL & PERSONAL

Knesset Speaker Shlomo Hillel yesterday received at the Knesset the Australian ambassador, Dr. Robert Merrilees, who delivered a letter from the Australian Parliament Speaker, Dr. H.A. Jenkins, congratulating him on his recent appointment.

Swedish Liberal Party Chairman B. Westerberg, accompanied by Swedish ambassador Sven Hirdman, also called on the Speaker.

The International Congress of Inter-toto, including chairmen of European football associations and headed by Lucien Schmidlin in Israel, is visiting - Acting President Shlomo Hillel.

Yehudit Huebner, Israel ambassador to Norway, was yesterday presented by German Ambassador Niele Hansen with the Order of Merit of the Federal Republic of Germany, bestowed upon her by German President Richard von Weizsaecker "in recognition of her essential contribution towards furthering German-Israeli relations."

The Association of Friends of Everyman's University was founded yesterday at a meeting at the university's Ramat Aviv headquarters. Moshe Neudorfer, director-general of the Barclay's Discount Bank, was elected chairman.

Journalist Jacob Landman will speak on "Israeli-Egyptian Relations" at the weekly meeting of Jerusalem Rotary Club at 1 o'clock in YMCA today.

Rotarian Rabbi Robert Samuels will be the guest speaker at the Haifa Rotary Club's weekly meeting, Nof Hotel, at 1 o'clock today.

HOME NEWS

Gur: Government must make terror impossible

Jerusalem Post Staff
 Health Minister Mordechai Gur yesterday visited some of the persons wounded by terrorist gunfire aimed at an Egged bus near Bethlehem on Monday night, and said the government must take all steps necessary to eliminate the conditions that make such attacks possible.

Five Jews and two Arabs were wounded in the ambush. Two of the Jews were still in Jerusalem's Hadassah Hospital in Ein Kerem. Bus driver Avraham Daniel of Kiryat Arba was undergoing an eye operation during Gur's visit, so Gur chatted with passenger Ezra Harel.

As to whether the Jews living in Judea and Samaria should be permitted to defend themselves against such assaults, Gur, a former chief of general staff, said that if the government decides that the security forces alone should carry this responsibility, then the civilians must accept this.

The security forces combed the area of the incident all Monday night and imposed curfews on the Dehaisa refugee camp and the nearby village of Al-Khader. The first curfew was lifted yesterday morning and the second a few hours later. By noon, only regular Israel Defence Force patrols were in evidence. No arrests were reported. According to ballistic examinations, the shots were fired from a Kalashnikov rifle.

The coordinator of activities in the administered areas, Shmuel Goren, yesterday directly linked Monday night's attack to the second anniversary of the Sabra and Shatila massacres.

He was quoted by Itim as saying

that the atmosphere in the areas is now in general much calmer than it has been in the past, and Monday's incident should not be seen as the start of intensified terrorist activity.

Jewish residents in the areas, however, are bracing themselves to meet what they believe will be an escalation in such activity.

Israel Television reported last night that Defence Minister Yitzhak Rabin is to meet with representatives of the Council of Settlements in Judea, Samaria and the Gaza District, who are expected to urge the reinstatement of the policy of deporting Arabs who create unrest in the areas.

Gush Emunim leader Benny Kat-zover told Gali Zahal radio last night that the attack "represents the start of renewed attacks on Jews, and we cannot take this lying down. Our reaction should not only involve security measures, but should also be perceived by the Arab population as a deterrent."

Tehiya Knesset Member Geula Cohen told Kol Yisrael radio yesterday morning that the Dehaisa camp "should be dismantled and removed, like any other security hazard."

Cohen also repeated her demand that those in any way linked with the attacks on the Jews should be expelled "from Eretz Yisrael."

Two terrorist groups, the Popular Front for the Liberation of Palestine and the dissident faction of the Fatah, yesterday claimed responsibility for the Monday night attack and pledged to step up attacks on Israeli settlements in Judea and Samaria.

IDF told dozens of Shi'ites to join SLA from Tyre area

By MENAHEM HOROWITZ
 Jerusalem Post Reporter

METULLA - Dozens of young men from the Tyre area, many of them Shi'ites, intend to join the South Lebanon Army. This was announced in Marjayoun yesterday by a group of notables from the Tyre region during a meeting with the head of the Israel Defence Forces' liaison unit, Tal-Alut Shlomo Ilyia.

The new recruits are expected at the SLA training base in Khiam in several days.

Ilyia promised the notables that he would look into the possibility of assigning the men duties near their home villages after they complete their training.

At the meeting, Ilyia expressed satisfaction at the Shi'ite participation in the SLA, especially since the

Shi'ite villages east of Tyre are known as a centre of hostile activity against both the SLA and IDF.

Ilyia also spoke with SLA commander Brigadier-General Antoine Lahad yesterday and the two resolved to continue the effort to bring Shi'ites into the SLA.

Since taking up his duties several months ago, Ilyia has concentrated on improving ties with the Shi'ites. He has been instrumental in setting up local committees in Shi'ite villages with which the IDF maintains contacts.

At the Khiam training base tomorrow, a ceremony is set for 35 soldiers who have finished a course for non-commissioned officers. Some 30 per cent of the graduates are Shi'ites.

They were instructed in explosives, first aid, communications and fighting in built-up and open areas.

Urquhart to Damascus after 'useful talks' in Beirut

DAMASCUS - Deputy UN Secretary-General Brian Urquhart arrived in Damascus yesterday on the third stop of a Middle East tour to discuss the role of UN troops in southern Lebanon.

Urquhart flew to Damascus from Beirut, where he met with Lebanese President Amin Jemayel and other government leaders.

Urquhart told reporters before his departure that he had "very useful talks" with Jemayel, Prime Minister Rashid Karamah and other officials. The UN official earlier had visited Israel and was expected to return to Israel later this week.

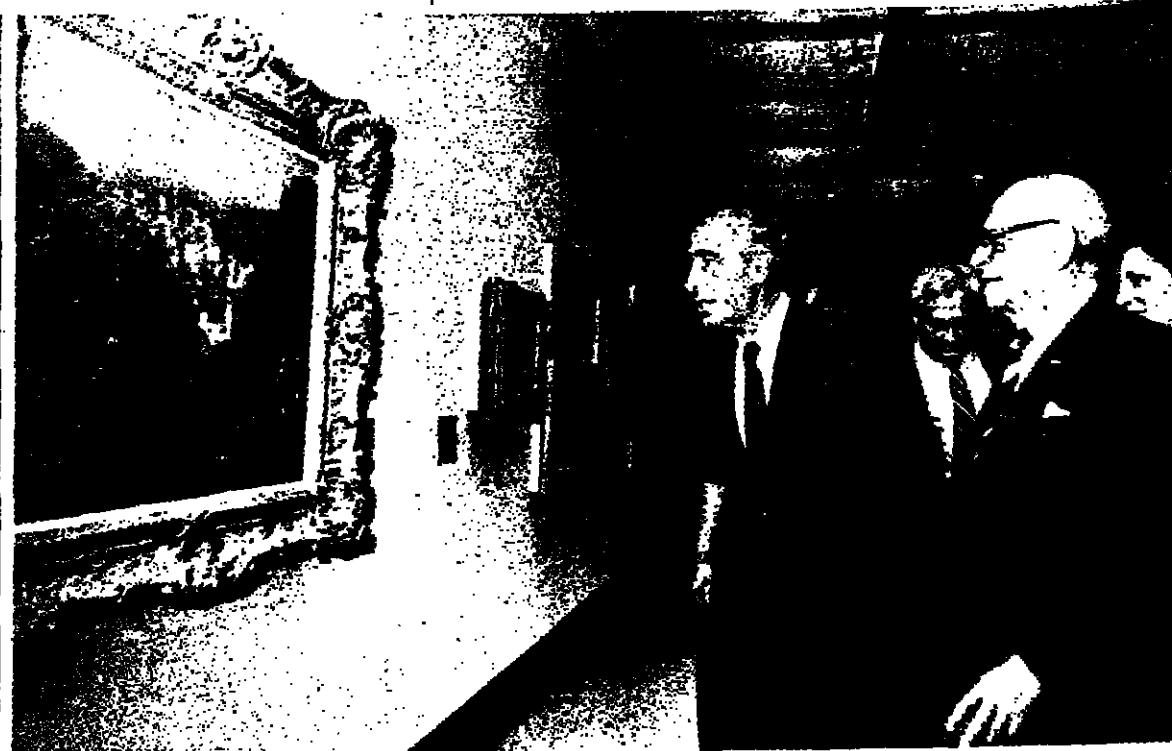
Reliable sources in Beirut said the talks focused on what role, if any, the UN troops would play in South Lebanon if Israel withdraws its estimated 15,000-man occupation force. But details of the role the UN Interim Force in Lebanon (Unifil)

might play in security arrangements for the South were left aside until Lebanon found a country willing to act as intermediary in talks with Israel, the sources added.

UN sources said Urquhart had not excluded expanding Unifil's role, but ruled out an Israeli suggestion that UN troops act as a buffer between Israeli and Syrian forces in Lebanon's Bekaa Valley.

UN Secretary-General Javier Perez de Cuellar last April proposed temporary deployment of Unifil, along with Lebanese troops and security forces in areas of southern Lebanon vacated by the Israel Defence Forces.

He also suggested the immediate deployment of elements of Unifil in the Sidon area on Israel's withdrawal to safeguard the population including Palestinian refugees in nearby camps. (AP, Reuter)



Prime Minister Shimon Peres looks at one of the paintings in the Israel Museum's exhibition of works loaned by Armand Hammer (right) at the opening last night. Industry and Trade Minister Ariel Sharon is behind them. (Yossi Zamir)

Italian Navy holds service for drowned submariners

By DAVID RUDGE
 Jerusalem Post Reporter

HAIFA - A memorial service was held at sea yesterday for the crew of the Italian submarine Scire, which was sunk in Haifa Bay by British shore batteries in 1942.

The ceremony was held on board the Italian Navy submarine-rescue ship Anteo, which has been involved in salvage operations for the past two weeks.

Frogmen attached to the rescue ship have so far recovered the unidentified remains of 22 of the submarine's crew.

Boxes containing the remains of the bodies, draped with the Italian flag, lined the deck of the ship for the memorial ceremony.

Participants included Italian Undersecretary of State for Defence Tommaso Bisagno, Rear Admiral Massimo Benedetti and Italian Ambassador to Israel Corrado Taliani.

Bisagno laid a wreath on the water, which was then placed on the wreck of the submarine 33 metres below the waves by two of the Italian frogmen. The scene was relayed live to those on board the Anteo by video cameras.

Afterwards a wreath was placed in

the sea by the officers and men of an Israeli submarine participating in the ceremony.

Bisagno told reporters that the salvage operation had been mounted following requests by relatives of the Scire's crew.

He said the Anteo had come into service with the Italian Navy in 1980 and was the only ship capable of a salvage operation of this kind. That was one of the reasons why a mission had not been mounted previously, although the Italian Navy carried out explorations in 1962/1963.

Bisagno said the Scire was of no historic or economic interest and there were no plans to try to raise it. Such an operation would also be technically very difficult, as it has been determined that the submarine would break in two if it were lifted.

The main task had been to recover the remains of as many of the crew as possible, he said.

Bisagno thanked the Israel Navy and government for permitting the Italian Navy to operate in Israel's territorial waters and for their help.

A member of the Italian delegation said the Anteo, with its crew of 120 and 23 frogmen, will probably extend its stay to enable divers to search for more remains.

Lebanese to draft new constitution

BEIRUT (AP) - Lebanon's main Christian and Moslem warlords yesterday began laying the foundation for a new constitution, that would distribute power evenly between the rival communities and end nine years of civil strife.

Prime Minister Rashid Karamah earlier announced the formation of a 32-man constituent committee charged with drafting a new constitution. The conferees also were expected to discuss plans for freeing civilian hostages captured by rival militiamen during the last civil-war rounds.

As the leaders gathered for political talks, Syria dispatched a senior

army team to President Amin Jemayel's hometown of Bikfaya for talks with Lebanese Army commanders on a plan and timetable for the deployment of Lebanese Army units in the hills east of Beirut and along coastal highways. The areas are under the control of Druse, Christian and Shi'ite Moslem militiamen.

Administration sources said they expect implementation of the security plan in the central mountains to begin within a week, with deployment of Lebanese Army troops along the Beirut-Damascus highway, which cuts through the Druse-held Shouf and Aley provinces. The highway has been closed since last September.

Some teachers may walk out today

By LEA LEVAVI
 Jerusalem Post Reporter

TEL AVIV - Teachers belonging to the Secondary School Teachers Association may walk off the job at 10 a.m. today if they do not receive the salary advance due to them under an agreement signed two weeks ago.

The union issued this warning yesterday because many members still have not received the advance, about a quarter of a month's salary, pending negotiations on salary increments that public-sector employees received under the recent national wage agreement.

Many high-school teachers are employed by local authorities, and the financial crisis in local government may be responsible for the delay.

The union instructed teachers who do not get the advance by 10 a.m. today to leave their classrooms and not to come back until they get the increment.

A spokesman for the Histradut Teachers Union, the majority of whose members are elementary-school teachers paid directly by the Education Ministry, said its members have not complained about delays in receiving the advance.

HAMMER

(Continued from Page One)

could do something to help Israel out of her economic difficulties and revealed that he would be acting in concert with Industry and Trade Minister Ariel Sharon, who was also present at the ceremony.

Hammer, in the course of saying that fighting for peace and fighting cancer were his two main interests, noted that art is a universal bridge: "Rembrandt speaks the same language everywhere." He said he was still using his famous Russian connections and that he was in touch with Chernenko about relations with Israel.

Hammer revealed that it was at Golda Meir's request that he had flown with his wife to Yalta to successfully intercede with the late Leonid Brezhnev to have the 25,000 gold-ruble education tax on Soviet Jewish emigrants rescinded.

"Tonight has been one of the greatest moments of my life," concluded Hammer, visibly moved, after describing how his Russian-born grandfather had told him that the Hammers must be descended from the Maccabees.

Earlier, at a press conference, Hammer, a doctor who never practised, revealed that during a visit to the Hadassah Hospital yesterday he had decided to donate \$200,000 to its cancer research programme. He also said that he was giving the Israel Museum \$50,000 as a small surprise present to mark the occasion.

The Hammer Foundation flew in the huge show, which is insured for tens of millions of dollars. The works are accompanied by a team of curators and conservators headed by Dennis Gould, who has been flying the show around the world for the last five years from Moscow and Peking to Latin America. Gould said most of the works were acquired little more than a decade ago and that Hammer was still looking for paintings by El Greco, Caravaggio, Gainsborough and, above all, Vermeer, a difficult task, as there is only one Vermeer still in private hands.

All the paintings will eventually go to the Los Angeles County Museum.

Kiryat Shmona Khan to become art centre

KIRYAT SHMONA (Itim) - One million dollars have been raised to convert the Khan here into an art centre, Mayor Prosper Azran said yesterday.

The funds were raised with the help of the Jewish Agency, he said, adding that he hoped the centre would boost tourism in the area as well as offering art classes for the young and old.

The Khan was once the home of Kamal Effendi, and it was from there that the killers of Yosef Trumpeldor and his colleagues set out in March, 1920.

Masked man robs black market pair

NETANYA (Itim) - A thief stole \$20,000 and IS9 million from a black market dealer and customer about to do a deal here last night.

A Netanyahu resident met up with a dealer in a broker's apartment to do the deal. He was to buy \$20,000 with IS9m., at IS450 to the dollar. As the money was about to change hands, a masked man burst into the apartment brandishing a pistol. He took the money from both men and escaped.

Rabin, IDF Gen. Staff air plans for pullback

By HIRSH GOODMAN

Post Defence Correspondent
 Defence Minister Yitzhak Rabin yesterday held his first meeting with the IDF General Staff. He heard proposals for a withdrawal from Lebanon that have evolved as theoretical alternatives by the General Staff over the past year.

Defence sources pointed out to The Jerusalem Post last night that the presentation of these proposals was not to be taken as an indication of a pending withdrawal, but rather as familiarizing the minister with the possible courses.

At the meeting, Rabin outlined problems as he saw them, including some of the potential consequences of the coming cuts in the defence budget.

The Jerusalem Post has learned, meanwhile, that senior personnel in the defence establishment are defining as "of pivotal importance" talks scheduled with UN Undersecretary-General Brian Urquhart later this week. A redeployment of Unifil is crucial to any Israeli withdrawal from Lebanon, and so far indications have been that the UN will not agree to such a redeployment.

Israel is also expected to reiterate to Urquhart its desire for a separation-of-forces agreement with the Syrians in the eastern sector.

These two items will be uppermost on Israel's agenda in its talks with Urquhart.

Move to stop work at Vulcan today

By DAVID RUDGE

Jerusalem Post Reporter
 HAIFA - Sacked workers of the Vulcan Foundries intend to ask all of the firm's 300 workers to support their fight for reinstatement by walking out of work today.

The dismissed men have prevented the firm's 18 veteran Arab employees, from Jenin in Samaria, from working for the past three days.

The leader of the sacked men, Yosef Assulin, said they would ask the rest of the work force to join them outside the factory gates and remain outside for the entire working day.

The proposed action is in protest against the continued refusal of Vulcan's new management to cancel dismissal letters that it sent to 67 Jewish and Israeli Druse employees. Sixteen of the men, however, since accepted the severance pay offered.

The district labour court adjourned to October 12 a hearing on the Haifa Labour Council's demands for an injunction to force Vulcan to reinstate the workers.

The court said the adjournment was to allow the two sides to open negotiations over the dismissals.

The sacked workers however expressed their "total dissatisfaction" with the Labour Council's handling of their case. They contend that Oudan, which recently bought the foundries, intends to replace them with Arab workers from the areas, who will be paid lower-than-unions wages. The company denies this.

Beersheba returns to work

BEERSHEBA (Itim) - Mayor Eliahu Navi yesterday decided to end the municipal strike here, at the request of Prime Minister and Interior Minister Shimon Peres.

Peres, in turn, agreed to Navi's proposal that Interior Ministry director-general Haim Kubersky head a committee to check the town's situation and its special role as "the capital of the Negev."

Agreement was also reached on arrangements to pay municipal workers' salaries.

Municipal workers began last night to clear the rubbish that had piled up in the city's streets during the strike.

Navi told a news conference last night that municipal employees would receive their salaries this morning. Navi also said the workers would not lose pay for the days they struck, since the municipality considers the strike to have been justified.

FOOD THIEF - A policeman working as a cook in the Abu Kabir lockup has been arrested on suspicion of stealing foodstuffs from the prison kitchen.

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Soviet Jewry conference may debate dropout issue

By HYAM CORNEY

Jerusalem Post Correspondent
 LONDON - Soviet Jewry activists in Britain are determined that the matter of Soviet emigrants who "drop out" of going to Israel be fully debated at a two-day international conference opening here today.

Britain's National Council for Soviet Jewry has sent a cable to Prime Minister Shimon Peres suggesting that "the time is ripe for new initiatives with the USSR in an attempt to renew the repatriation of Soviet Jews to Israel."

The council has already told Arye Dulzin, chairman of the conference and of the Jewish Agency Executive, that it wants the issue placed on the agenda.

Dulzin has not given a direct answer, but has called a meeting of a few key activists from Britain, the

U.S. and Israel before the conference opens to decide whether to include this item.

Arieh Handler, chairman of the council in Britain, told The Jerusalem Post that he and his colleagues felt strongly that "the drop out" issue should no longer be swept under the carpet. The time has come to reopen discussions with the Russians about direct flights from Moscow to Tel Aviv for Jews who leave the Soviet Union.

"The essence of our campaign is that Jews should be permitted to go to their homeland, as is provided for under the Soviet constitution. Our campaign was not created just to get people out of Russia."

"We have tended to close our eyes to the fact that in recent years, only 15 to 20 per cent of those who leave go to Israel. According to informa-

tion we receive, the Soviets are using this as an excuse to stop emigration."

"We have to remind the Soviets that repatriation is the core of our campaign, and that we are not running an anti-Soviet campaign."

Among other issues to be debated at the conference, formerly known as the Presidium of the Brussels Conference on Soviet Jewry, will be whether to use quiet diplomacy or public actions.

REUBEN BUDLENDER

Beloved husband of Sylvia
 Father of Chaim, Clive and Tami

The funeral took place on Sunday.

Shiva at Rehov Harav Frank 33, Bayit Vagan, Jerusalem.
 (Tel. 02-422892).

Terror trial judges see weapons in video film

By DAVID MANDEL
Jerusalem Post Reporter

Yesterday's session of the trial of the alleged Jewish terror underground ended earlier than usual, as the Jerusalem District Court judges finally acceded to pleas by prime defence counsel Dan Avidit that he be given time to prepare an appeal to the Supreme Court.

Avidit and the other defence attorneys are to appeal, probably next week, against a ruling that written reports of General Security Services (Shin Bet) surveillance of their clients must remain classified for security reasons.

Before the adjournment, Avidit and chief prosecutor Dorit Beinisch continued to spar over the manner of introducing mounds of evidence, which have only begun to be presented against the defendants.

Called to the stand was Micha Gal, an explosives expert at national police headquarters. But before he could begin, lawyer Dan Segal hastened to announce that his clients—Ben-Zion, Ya'acov and Boaz Heinemann—admitted responsibility for possessing the weapons about which the witness was scheduled to testify. He and others among the battery of 11 attorneys for the defence then argued that there was no longer any need for Gal's presence.

Beinisch agreed that the confessions would shorten the procedure, but still insisted on hearing Gal's expert testimony. The nature of the items found and precise descriptions of their uses was a crucial part of the evidence, she said, under pressure from chief Judge Ya'acov Bazak to back down.

"Maybe you want to show it because of the press," defendant Shaul Nir interjected from behind the lawyers' bench. Murmurs rumbled through the room as Bazak sharply scolded him, and the matter was clinched: Micha Gal would be heard, the judge ruled. Segal then promptly retracted his clients' confessions concerning the weapons.

Gal briefly described the discovery of underground arms caches in storerooms at Moshav Kfar Avraham near Petah Tikva, Ben-Zion Heinemann's former home, and at Moshav Nov in the Golan Heights, where all three of the Heinemanns have lived, and where Boaz, Ben-Zion's son, still lives.

The holes in the ground were covered with wooden planks on which there were fuel cans, Gal related, prompting Bazak to quip, perhaps in an attempt to defuse the tension, "Maybe they were expecting the British to return to the country." The reference to similar weapons caches used by the Jewish pre-state undergrounds evoked momentary laughter from all sides.

The joviality dissipated as quickly as it had come, however, when Beinisch informed the court that she intended to present the core of Gal's testimony on a video screen. The weapons found—27 bombs, each wrapped in a plastic bag, 113 old Syrian mines and other explosives—were too dangerous to actually bring to court, she explained.

Avidit promptly objected. Still photographs already submitted, he argued, were quite sufficient, and much more objective as well. It is wrong to "turn the court into a theatre," he went on, noting that a film can be staged by its makers for maximum dramatic effect.

But Beinisch, well-prepared with texts by authorities on the law of evidence, insisted that demonstrations of the weapons' use was an integral part of the prosecution evidence. The only alternative to the film, she said, would be a visit by the court to army storehouses to see the arms live.

The idea of such a field trip was not seriously considered, and the film was allowed, but not before the courtroom was cleared of everyone but lawyers, defendants and judges. "We do not want to give anyone ideas," Beinisch explained.

After the screening, the court was adjourned for the day, and the defendants were allowed a

lengthy reunion with their families in the courtroom-turned-picnic ground, with wives, children, parents and other relatives and friends milling about freely, supervised by a handful of policemen and Border Policemen.

Defence sources did not seem concerned by the impression the judges might have received from the film. One of the accused, Hagai Segal, said it was "boring."

Outside the courtroom, Meir Indor of Kiryat Arba, coordinator of support for the defendants, showed reporters the contents of a telegram sent to Police Minister Haim Bar-Lev by relatives of the defendants, asking that they be released for the High Holy Days, as were some Arab prisoners for the recent Moslem feast of Id al-Adha.

If this is not possible, the cable's authors requested, they should be permitted to join the prisoners inside Tel Mond jail, and if not permitted to do that, they vowed to seek permission to hold massive prayer sessions outside the institution.

"The men will be freed," Indor said confidently. "Gush Emunim is mobilizing for a concentrated campaign on their behalf."

Indor also related the defendants' anger at the wording of a poster placed on walls around the country by some of their supporters. The objectionable line was a reference to them as having "erred," he said.

Chief Rabbi Avraham Shapira and Mordechai Eliahu have joined several of their colleagues in calling on the prison authorities to release the Jewish terror suspects for the High Holy Days.

A spokesman for the rabbis said that they did not wish to interfere with the judicial process, but merely wished to ensure that the suspects, who are "believing Jews," could observe the Holy Days properly. He added that since they are "not the usual sort of suspects," there is no danger they will try to escape.



Sabit Batumlu, a member of the Turkish parliament's Foreign Affairs Committee, presents Knesset Speaker Shlomo Hilel with a gift yesterday in the Speaker's office. Batumlu, who is heading a five-man delegation to Israel, said later that he had invited Hilel to head a delegation of Knesset visitors to Turkey. (Yossi Zamir - Scoop 80)

Art collector A. Hammer visits Begin

By GREER FAY CASHMAN
Jerusalem Post Reporter

The ban on visitors to the bedside of former prime minister Menachem Begin was lifted yesterday when billionaire art collector Armand Hammer called on Begin at Jerusalem's Shaare Zedek Hospital. Hammer later said he had found him to be in excellent spirits.

According to Hammer, he and Begin had talked about old times and their long friendship. Hammer is in the country for the opening of an exhibition of his art collection this week at the Israel Museum.

Hammer was accompanied by his wife, Frances. Also present was Dr. Willard Goodwin, professor of urology at the University of California at Los Angeles, who has close ties with Shaare Zedek doctors.

Earlier this week, Shaare Zedek doctors recommended prostate surgery for Begin's urinary problem, but a decision was delayed pending Goodwin's opinion. Shaare Zedek's chief urologist, Dr. Amitzur Faikas, was Goodwin's student.

Music movement for youth revived

By LEA LEVAVI
Jerusalem Post Reporter

TEL AVIV. — Youngsters of 13 and over who enjoy serious music, whether or not they play an instrument, have been invited to join the Musical Youth Movement, which is being revived after more than 20 years.

Meir Weisel, who was a member of the movement when it was founded in 1957 and who is now its new director, told a news conference here yesterday that about 200 teenagers have already been organized into 12 chapters around the country.

Further information may be obtained by contacting the movement at the Mann Auditorium, 1 Huberman Street, Tel Aviv.

New hi-tech village in Galilee is populated

KFAR VERADIM (Iim). — After five years of planning and building, a ceremony marking the populating of this "model community" in Western Galilee will be held here today.

The moving force behind the new settlement, in the Tefen area, near Ma'alot, is industrialist Stef Wertheimer. Residents of Kfar Veradim are to make their living in high technology industries situated there, and Wertheimer himself has moved one branch of his Iscar Tools from Nahariya to the Tefen area.

There are already 106 families living in the community, with houses for another 39 nearing completion. Part of the effort to populate Kfar Veradim was a campaign to bring Israeli scientists, engineers and other professionals who have emigrated abroad home again.

Wertheimer intends the town to be an example of a new form of community with a high quality of life and supported by private industry. An advanced communications network now being installed in residential homes will provide, in addition to television and video programmes, information from a computer on the stock market, weather, bank accounts and other information.

Printers threaten two-day walk-out

TEL AVIV. — The Press Workers Union announced yesterday that its members will take an "organized vacation" next Sunday and Monday, if negotiations with their employers are not resumed by the end of this week.

In a letter to the Newspaper Publishers Association yesterday, union secretary Meir Goldstein accused the employers of refusing to enter into negotiations with the press workers over their pay demands.

MKs plan to raise Shin Bet's knowledge of Hebron attack

By DAVID MANDEL
Jerusalem Post Reporter

Knesset members mobilized by supporters of defendants in the Jewish terror underground trial now taking place in Jerusalem will probably bring before the legislature next week the question of alleged advance knowledge by the General Security Services (Shin Bet) of last year's submachine-gun and grenade attack on the Islamic College in Hebron.

The attack left three students killed and dozens wounded. The court yesterday heard in camera testimony, and saw a video

presentation of weapons allegedly hidden for use by the defendants in further attacks on Arab civilians. They are also charged with blowing up the cars of leading West Bank Arab personalities in 1980, seriously wounding two mayors and an Israeli soldier, with placing bombs under Arab-owned buses in Jerusalem last April, and with plotting to destroy mosques on the Temple Mount.

Benny Shalita (Likud-Liberals), one of 13 MKs who met last week with lawyers for the 20 defendants, including six who face life in prison if convicted of murder in the Hebron

attack, said yesterday that the response to questions he addressed this week to "security elements" on the subject was "astounding."

If his inquiries confirm that the security services apparently could have prevented the attack on the college, but failed to do so, Shalita went on, he will not hesitate to raise the issue in the Knesset and to demand that a state commission of inquiry be appointed to settle the question.

He added that he does not believe the Shin Bet acted as it seems to have done because it wished such an

attack to take place, but because it desired more evidence against the defendants before arresting them, and was therefore willing to "allow them to get mixed up in the matter."

The move to mobilize Shalita and other MKs from the Likud, Tehiya, Morasha, Agudat Yisrael, the National Religious Party and Shas came after defence lawyers in the case were turned down in their attempt to obtain written reports of GSS surveillance of their clients.

The defence lawyers are to appeal against this ruling.

Lesotho minister complains:

'Israel aids S. African phony black states'

By JOSHUA BRILLIANT
Jerusalem Post Reporter

MASERU, Lesotho. — This Kingdom's information and broadcasting minister, Desmond Sixshe, yesterday criticized Israel for helping South Africa to establish artificial black states used to rebuff criticism of its apartheid policy.

In an interview with *The Jerusalem Post* here, Sixshe said that when Ciskei, Transkei and Bophuthatswana "boast of viability, they include Israel among the countries that are assisting that viability."

Several sources here told *The Post* Lesotho's government had intentionally delayed for several months the accreditation of Israel's new ambassador, Meir Joffe. The government had done so to register its criticism of Israel's policy but eventually accredited Joffe.

Sixshe complained in the interview that Israel had permitted visits by Bantustan "bogus presidents" and brushed aside arguments that they had not been Jerusalem's official guests. "It doesn't matter. The propaganda value (of those visits) is tremendous for South Africa and for them," he argued.

He complained that during the nearly 18 years of his country's independence, "Israel has never done anything to invest in Lesotho" but businessmen have been encouraged to invest in the Bantustans.

It was immaterial that those businessmen were acting privately, he argued. "Industrialists would not toe a line that is not sanctioned by the government. Governments tend to show the way," he claimed.

The training of Ciskei pilots in Israel was a case

in point. Such training requires the government's connivance but although Lemox Sebe of Ciskei "is a madman murdering (his) opponents, a country as respectable as Israel is training his pilots," the minister said.

"One can understand Israel's tilting towards South Africa. But for heaven's sake, what are you doing in the Bantustans? Nobody else is there, except you and Taiwan," he continued.

Israel's policy has created difficulties for this kingdom, which is completely surrounded by South Africa, Sixshe said.

South Africa has been pressuring Lesotho to recognize the Bantustans and "any independent country that seems to be playing along with their idea gives South Africa hope that one day the Bantustans will be recognized."

Shoplifting Histadrut official was ill, suffers from diabetes

By HYAM CORNEY
Jerusalem Post Correspondent

LONDON. — George Sa'ad, the Histadrut official fined for shoplifting in London last Saturday, was taken ill earlier in his visit to the United Kingdom and is also a diabetic.

His illness, and the medication he takes for his diabetes, could explain what those who know him here consider his totally uncharacteristic behaviour in stealing goods from two London stores.

After attending the Trade Union Congress conference in Brighton as the guest of the British Labour Party, Sa'ad addressed a number of meetings in England and Scotland under the auspices of the Labour Friends of Israel and made "a fantastic impression wherever he went," said Valerie Cocks of the LFI.

Sa'ad also met numerous leading

trade unionists and politicians, including former premier James Callaghan.

The shoplifting incident was "heartbreaking," said Cocks.

According to the consul at the Israeli embassy here, shoplifting is not a frequent occurrence among Israeli tourists. The consul said that about 10 Israelis a year appear before the courts, mostly for stealing small amounts of clothing.

DIFFERENCES. — The Tel Aviv University School of Social Work is offering a course this autumn that will explore sexual stereotypes, ways of changing them and differences in the psychological problems faced by men and women. Further information may be obtained by calling 03-420355.

Pilot plant will extract petroleum from local shale

By AARON SITTNER
Jerusalem Post Reporter

With an estimated 10 billion tons of oil shale buried beneath the soil in various parts of the country, the Energy and Infrastructure Ministry has finally decided to build a pilot plant that could produce 1,000 barrels of oil a day.

Shale is a layered sedimentary rock formed from clay under heat and pressure. The bituminous variety of shale is rich in petroleum and related substances.

Exploiting shale as a basic energy source here has been under investigation for many years. The decision to begin work on the pilot plant was based on recommendations of the ministry's steering committee, headed by chief scientist Dan Zaslavsky.

The committee found that "it is

very reasonable to assume that extracting oil from shale in Israel will be economically feasible... Israel's known shale deposits could provide 600 million tons of petroleum, a quantity that could fill our needs for decades."

The ministry reported that a company in Colorado had used Israeli shale several times in its extraction process and had found it suitable for petroleum production. As a result, a ministry-affiliated company, Pituah Mashabei Energia (Development of Energy Resources), had signed an agreement with the American firm on the technology to be used in processing the shale here.

GERONTOLOGY. — The Israel Gerontology Society will hold its Fifth National Gerontology Conference on December 19-20 at the Hilton Hotel in Jerusalem.

2 babies born in ambulances

By GREER FAY CASHMAN
Jerusalem Post Reporter

Magen David Adom drivers delivered two healthy babies seven hours apart in different parts of the country.

At 3:40 a.m. yesterday, driver Meir Ya'acov was roused by a man who had brought his wife in an advanced stage of labour to the Beit She'an MDA station near their home in the new moshav Tel Te'umim. Ya'acov helped Dina Yitzhak from the family car to the ambulance, and within 10 minutes delivered a healthy girl.

At 8:30 p.m. the previous evening, a Beduin woman, Zilha al-Hawashli, was brought by her husband to the MDA station in Dimona. Shlomo Amar, a driver with 12 years' experience as a paramedic, examined her and determined that

labour had commenced.

With the help of 16-year-old volunteer Orna Azran and the woman's husband, Amar was able to make al-Hawashli comfortable in the ambulance in which he intended to drive her to hospital.

Seven minutes after the ambulance set out, Azran told Amar that the expectant mother was in acute pain. He pulled up at the side of the road, and 10 minutes later he placed a three-kilogram girl in Azran's arms. It was the first time she had been present at a birth.

For al-Hawashli, as for Yitzhak, it was the second baby.

The MDA spokesman reported that both mothers and daughters were resting up after their ordeal — the Yitzhaks at Central Emek Hospital in Afula and the al-Hawashlis at Soroka Hospital in Beersheba.

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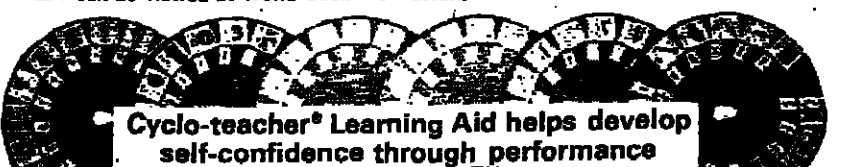
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London Ministore Passage, 30 Ibn Gabirol, Tel. 03-287567. Hours: 11 a.m.-11 p.m. Closed Fridays. Saturday: 5 p.m.-midnight.



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Shily Ltd. import & market in Israel cosmetics and gifts for all occasions, all ages. This retail store of fun-colour-choice, offers, while stocks last, 30% discount on French perfumes and Lancôme/Max Factor/Helena Rubinstein, and other cosmetics, for the New Year. Choose decorative dishes for the home, ceramics, gifts for men, pictures, planters — and many more fun items for your friends and family. SHILY, 33 Achmeir St., Ramat Aviv G. Tel. 03-426396

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75,000

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GILGI HAUSER — KALINA Phone The Jerusalem Post, Tel Aviv, 03-294222, or 03-411773.

MY SAFARI JOURNAL

Sat. ... I arrive at SAFARI. Mummy orders. I have my own menu, choice of main dish, soft drink for half price. (Mummy's pleased!) I get a "Follow the Dots" game so I won't be bored. I draw a chimp. I go to the Salad Bar — wow! 35 salads to choose from. While Mummy pays I get Mint Sweets. I join the Happy Birthday Club.

Mon. ... It's my birthday. I'm 9. I have my party at SAFARI. I get a Free meal, a T-shirt and Ice Cream with a sparkler. We sing. I'm happy.

Thur. ... SAFARI again! I get Free ice cream and a present from the Treasure Chest.

Wed. ... Wed. nite is Flash-Nite at SAFARI. We eat as much as we can — Free ice cream again. Next Hanukka I will get another FREE meal. Gee! SAFARI RESTAURANT keeps Mummy and me real happy.

SAFARI STEAKHOUSE, HERZLIYA PITUAH, TEL. 052-77404. ATARIM SQUARE, TEL AVIV, TEL. 03-283125.

GUR-712

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In this spacious, colourful showroom you'll find the largest range of beds, mattresses in Israel. In the sleep centre, you can test SEALY POSTURPEDIC sleep systems; all sizes available at extra special cash price discounts. SPECIAL OFFER: For girls — Box Spring Base + Mattress 80 x 190 with quilted bedspread, matching curtains + lampshade: \$395 — \$550 CASH. MOTTI bedside lights (exclusive to us) from \$25. A few sheet sets left (all sizes) from England (DORMA Mary Quant), 50% cotton non-iron. Fully fitted wardrobes 120 x 240 — \$299 cash price, incl. delivery + assembly. HOUSE OF DREAMS for beauty, comfort and highly competitive prices. 28 USSISHKIN ST., RAMAT HASHARON. Tel. 03-480761. Hours: 9.15-1.00, 4.00-7.00 Fri. 9.15-1.00 Closed Mon. afternoons.

UK's 25-day-old dock strike ends

LONDON. — Transport union leaders yesterday called off Britain's 25-day-old dock strike, which has idled nearly half the nation's seaborne trade.

At a morning meeting, the docks committee of the Transport and General Workers' Union voted 78-8, with three abstentions, to end the stoppage immediately, officials said.

The decision followed agreement between unions and state-owned British Steel Corporation to permit coal shipments to the fuel-starved Ravenscraig steel plant in Scotland.

The strike began August 24, when the company used non-union labour to bypass a boycott of coal shipments the union mounted to support miners in their six-month old strike.

Dockers' leader John Connolly told a news conference his members would return to work yesterday or today, depending on arrangements at individual ports. Port employers said some dockers had returned to work yesterday in anticipation of the vote.

The dock strike had far less impact than a 12-day stoppage in July. Dockers at ports like Dover and Felixstowe, which together handle a quarter of Britain's freight, defied the strike call, saying it had little to do with their industry.

There was renewed picket line violence yesterday in the Yorkshire coalfield, where the coal strike began.

Police said they made six arrests outside Kiverton Park colliery when several thousand pickets tried to stop eight men working.

Police made 12 arrests when strikers besieged the homes of two rebel miners in the coalfield, Britain's biggest.

The longest attempt to break the deadlock in the coal strike, which has paralyzed two-thirds of the industry, broke up on Friday with the two sides as far apart as ever.

The National Coal Board wants to shut loss-making pits. The miners say only exhausted or unsafe pits should close.

The two sides have agreed to outline their case to the independent, government-funded conciliation service, ACAS, but both say any settlement must come from direct negotiation.

Prime Minister Margaret Thatcher says the government will not give in to the coal miners, they will have to accept plans to close uneconomic mines, the Daily Telegraph reported yesterday.

The conservative daily also quoted Thatcher as saying that power workers were not likely to back the miners in this country's longest strike since World War II.

The miners suffered a setback when power industry unions hedged on committing themselves to action supporting the strikers, who are seeking to carry their stoppage into the winter. (AP, Reuter)

Heart transplant recipient gives birth

SAN DIEGO, California (AP). — A 23-year-old woman who received a man's heart in transplant surgery four years ago delivered a healthy baby girl, apparently the first successful birth by a heart recipient, doctors said Monday.

"There is no indication in medical literature that this has ever happened before," said Dr. Thomas Key, assistant professor of reproductive medicine and director of perinatal medicine at the University of California at San Diego Medical Center. "There have been pregnancies, but they have never gone full term, usually because the cardiac patient did not want to."

Betsy Sneith wanted to have a baby so much that she went against her doctors' recommendations to abort the pregnancy. She aborted one pregnancy after receiving a heart transplant in 1980, said Dr. Howard Ditzsch, Sneith's cardiologist since the 14th week of her pregnancy.

Dr. Robert Resnik, chairman of the department of reproductive medicine at the UCSD Medical Center, and Dr. Key delivered Sierra Jamieson Sneith on Sunday by Caesarean section because of the baby's breech position. The baby weighed three kilograms.

"There were no complications in the pregnancy or the delivery," Dr. Key said. "The Caesarean was performed because of the fetus' position, not because of any concern about Betsy's heart."

The doctors were unsure whether the donor male heart would function the same as a female heart during pregnancy, when it is expected to work about 50 per cent harder than normal.

"We found her transplanted male heart experienced the same changes as a female heart would, although the patient doesn't have the normal neuro-transmissions from brain to heart," Dr. Key said. "There were no problems whatsoever. We were expecting that there might be problems in blood pressure, but they did not occur."

Row on Andreotti speech over, says Bonn

BONN. — The German Federal Republic is satisfied with Italian Foreign Minister Giulio Andreotti's explanation of controversial remarks he made opposing German reunification, a government spokesman said Monday.

In an evening television interview, Bonn spokesman Peter Boenisch said the GFR's demands for an explanation had been met by a statement Andreotti made Monday afternoon in Brussels to Bonn Foreign Minister Hans-Dietrich Genscher.

"The (Italian) foreign minister recognized the long-term goal" of German unity in the talk with Genscher, Boenisch said in the interview.

EC falters on admission of Spain

BRUSSELS (AP). — European Community ministers yesterday failed again to solve their most urgent problems — the enlargement of the Common Market to include Spain and Portugal and the EC need for more financial resources, officials reported.

Greece blocked a proposal to limit the production of olive oil which the European Commission had made with its eye on Spain, Europe's largest producer of this product.

Farm costs already are the EC's nightmare and fear is rising that the entry of Spain and Portugal will considerably raise the agriculture budget if strict controls of surplus production are not imposed.

But Greece and Italy also produce olive oil and are reluctant to accept measures which will cut the income of their poorest farmers. Greece, however, was isolated in blocking the proposal, officials said.

Spain and Portugal had originally been scheduled to join this year. Talks should be completed by September 30 and membership treaties signed by the end of the year, giving the 12 national parliaments one year to ratify them, with the two new members entering the EC on January 1, 1986.

Reagan, Mondale agree to debates next month

WASHINGTON (AP). — President Ronald Reagan and his Democratic challenger Walter Mondale agreed Monday on a schedule of two debates before the presidential vote in November.

The 90-minute, televised debates, which sources previously had said were tentatively arranged, will be held on October 7 in Louisville, Kentucky, and October 21 in Kansas City, Missouri.

The League of Women Voters, a national, non-partisan civic group, announced.

Vice President George Bush and his opponent, U.S. Representative Geraldine Ferraro, will debate under an identical format in Philadelphia, Pennsylvania on October 11, the league said.

Trans-Atlantic balloonist breaks foot

SAVONA, Italy (AP). — American adventurer Joe Kittinger, battling rain and strong winds, broke his foot in a crash landing yesterday at the end of the first solo balloon crossing of the Atlantic, witnesses and officials said.

"You just have to go for it, go for it. That's the American way," a chipper Kittinger told reporters at a Nice, France, hospital, about two hours after his 10-storey-tall Rosie O'Grady came down in the rough mountains near this city on the Italian Riviera.

Before being taken in for X-rays, he said the crash landing "was an interesting one."

Hussein expected to visit Moscow

AMMAN (Reuters). — King Hussein of Jordan, who paid a state visit to the Soviet Union in 1982, is expected to travel to Moscow again next month, diplomatic sources said yesterday.

They said the main purpose of the visit would be to discuss the possible purchase of Soviet arms as well as Middle East problems.

UK seeks Arab couple in kidnapping

LONDON (AP). — Scotland Yard detectives looking for a missing teenage Saudi Arabian heiress they suspect has been murdered have asked Middle East police forces to track down an uncle and aunt who had looked after her in London.

The police believe the couple are now in Jordan, the officer heading the investigation told a news conference Monday.

Detectives suspect that the mutilated lower half of a girl's body found stuffed in a garbage bag in central London on September 7 is that of the missing girl, Suba Younis Hawa, 15.

Her aunt and uncle — Mohammed Hawa, 42, and his wife Jumana, 33, — claimed in a telephone call to a friend that they and Suba were kidnapped by three masked gunmen from the penthouse apartment on August 25.

The couple said they were freed the next day by their captors with instructions to raise £50,000 ransom for the girl.

But the couple flew to Cyprus and on to the Mideast before telling the girl's parents about the kidnap two days later.

Sports

Flying fists

By DON GOULD

Post Basketball Reporter

TEL AVIV. — The Sports Palace of Yehuda Eliyahu was nearly turned into an imitation of Madison Square Garden as Maccabi Tel Aviv's Kevin Magee and Hapoel Holon's Clarence Kea, looking more like boxers than basketball players, squared up to each other during Monday night's game between their two sides. Only speedy action by their team-mates prevented their trading punches, after they had first engaged in a showing match.

But Kea made nothing of the incident after the game. "He gave me the elbow," he said. "Temper got frayed in a game. We're good friends."

Maccabi Tel Aviv finished the game winners by 97-86. But Kea believes that the pesky young Hapoel Holon is going to win a lot of matches this season.

The most notable effort of the match was that of Arie Perry, who only returned to Israel last week, because, on his way here, he had to return to the U.S. from Amsterdam, on account of his grandmother's death. As a result, he has only had three practice sessions, and was sidelined at the start of the match. But he came on when Magee got into foul trouble, and rapidly notched 20 points.

Mickey Berkowitz, Lou Silver and Magee were in fine form for Maccabi. Berkowitz scored 26 points, and five Maccabi players getting into double figures. Desai Barmore of Holon took game-scoring honours with 29 points, and Israel Elimelech also had a very good game.

After three rounds of basketball, only one team has managed to maintain a perfect record. Hapoel Ramat Gan stands alone in first place. On Monday they broke the previously unbeaten Maccabi Ramat Gan 88-82 in a derby at Yehuda Eliyahu.

This year's Maccabi Ramat Gan squad, coached by Moolie Katzorn, have shown considerable improvement over last year's edition, but they were outgunned by their home town rivals, even though high-scoring Doron Jamchee enabled them to build up a ten-point lead, with only 7.20 minutes left in the first half. But then Hapoel, inspired by veterans Steve Kaplan and Steve Malovic, went on a 23-7 binge, ending the half with a 47-41 lead.

The game was tied at 68 all. Unfortunately for Maccabi, Jamchee and Carl Amos ran into foul trouble, and Hapoel, with valuable points contributed by Art Hausen and Or Goren, rushed on to victory. Goren collected 21 points. Jamchee led the losers with 25.

In other league action, Maccabi Tel Aviv, led by Giora Golan and James (Freddy) White, 72 points, handed Upper Galilee their first defeat of the season, 90-88. Hapoel Tel Aviv brought back from a four point half-time deficit to win Golan 77-76, thus gaining their first victory of the season, while their victims are still without a win. Hapoel Tel Aviv, led by Willie Sims (25), handed newly elevated Kiryat Gat their first straight loss, 106-89.

Baseball: Monday

American League			
	W	L	Pct.
X-Detroit	96	54	.640
Toronto	84	66	.560
Baltimore	80	68	.541
New York	80	69	.537
Cleveland	78	71	.523
Milwaukee	62	87	.416
National League			
	W	L	Pct.
Kansas City	77	72	.517
California	75	73	.507
Los Angeles	69	82	.456
Chicago	68	81	.456
Seattle	67	84	.444
Texas	65	84	.436

East Division			
	W	L	Pct.
Chicago	90	59	.604
New York	82	64	.563
Philadelphia	80	71	.530
St. Louis	78	71	.523
Montreal	73	75	.493
Pittsburgh	65	85	.433
West Division			
	W	L	Pct.
San Diego	83	66	.557
Houston	75	75	.500
Atlanta	74	76	.493
Los Angeles	73	77	.487
Cincinnati	67	87	.433
San Francisco	62	87	.416

Narrow defeat

MOSCOW (Reuters). — A Soviet rugby union team has been thrown out of the National League after suffering a 135-0 defeat, the Moscow daily, "Izvestia" has reported. It said the Soviet team of 15 players, including 11 internationals, was defeated by a 15-man team of 15 players, including 11 internationals, in a match which took place in Moscow.

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Friday: 10 a.m. - 1 p.m. only.

Context

RETURNING TO IRELAND after seven years absence, I found the same old combination of the haunting and the haunted. There is no place I would rather spend a holiday than the west of Ireland, with its dramatic seascapes, its idyllic lakes, its brooding mountains, its infinite variety of shades of green, and above all, its people with their generous hospitality and incomparable magic of language.

Today, Ireland can also provide a visitor with a reasonably-priced vacation. Almost every other house seems to sprout a "B and B" sign, indicating the provision of a clean and hearty breakfast, usually for about \$8 a night. In one remote village, I even passed a sign saying "B and B. Shamoon."

The pubs, of course, are the centre of local life and their denizens provide one of the major attractions of the Irish scene. The Irish spend more money on alcohol than any other nation - 11 per cent of their disposable income, which is three times as much as Americans spend.

Sociologists, psychologists and other experts have had many a field day seeking explanations for the Irish love for the bottle, both in Ireland and in the Irish diaspora, but the explanation is social. It is the only legal way of life and the only way where more than in the rural areas. Certainly the authorities see the bright side as half the nearly \$200 million of Irish national debt is spent annually on hard liquor (the amount of wine consumed is tiny) returns to the government in the form of taxes. "It's a vicious circle," one man said to me.

The great concern that I heard on the west side of the republic is the growing unemployment. In the past, the solution to this problem was simple - emigration. In the past, the eldest son inherited the land, the second son went to sea, and the third son went to America. Today, with massive unemployment in the traditional "catchment" areas of England and the U.S., this outlet is blocked. Few now - some go to Europe, a few to Australia - and the number of Irish grows steadily. News of the economic problems and the closing down of enterprises is reported daily, while the European Economic Community negotiations have created problems for Irish agriculture.

THE WEST was a delight, returning to Dublin was something of an appointment, and I could only see with one old-timer who said, "become a rough old area."

The population of the capital has tripled to a million as those who have lost hope in the country have fled to the city. But they find no work there either, and many drift in crime. Indeed, in the west side, the phenomenon of new socialists who had left Dublin to get away from its crime-ridden environment.

Three thousand heroin users are reported in Dublin's inner city, and it is not safe to park a car at night. Mugging and bag-snatching are frequent; I myself saw two men bleeding on a pavement after

Return to Ireland...

By GEOFFREY WIGODER / Special to The Jerusalem Post

being attacked with hammers and a pickaxe.

Moreover, there is an air of dilapidation, while O'Connell Street, once one of the handsomest streets in Europe - in which the statue of Father Ambrose, apostle of temperance, still gesticulates hopefully towards the city's 600 pubs - is now lined with cheap fast-food eateries and gaudy video-game centres. Vast faceless suburbs of no distinction now sprawl around the city. This is not to say that many of Dublin's exquisite architectural qualities have not been retained - but they need a considerable search to be discovered.

THE JEWISH community of Ireland is dwindling rapidly. Dublin, which had about 6,000 Jews 30 years ago, now has less than 2,000. [Not surprisingly, many Jews have left Belfast, the Northern Ireland capital, which has less than a half of its former 1,500-2,000 Jews.] The provincial communities have disappeared entirely, except for a bare *minyan* in Cork (where Hebrew lessons for the few children are given by a girl from Nahariya who married an Irish soldier serving in UNIFIL).

On Saturday morning, I went to the stately Greenville Hall Synagogue, which my family had been associated since its construction in the 1920s. Its gates were chained. Opposite, a former church had been converted into the Dublin Mosque, crowned with a silver crescent. The Moslems had made a substantial offer for the synagogue but the committee could not make up its mind in time. Now the value of the property has fallen and the synagogue committee is vainly trying to obtain a much lower sum.

Next to the mosque stands the Dublin Islamic Centre. Around the corner, in the house where my grandfather had lived, a Pakistani family peered out of the window.

The dramatic drop in numbers over recent decades reflects the end of any Jewish influx into the city. Emigration has long been part of the Irish way of life, and Jews were no exception. They used to say that the main exports of Dublin were Guinness and doctors - and many of the latter were Jewish. Irish Jews went to England, the U.S., Canada, South Africa, Australia - and several hundreds came to Israel. In the past, the constant depletion was balanced by new arrivals - first from other lands, then from the country communities. Now, as Jews leave, there is no one to take their place.

The 1,800 Jews who remain maintain an extensive communal life, keeping up the same wide variety of institutions that existed when the community was three times the size. They have a chief rabbi (the young and impressive Rabbi David Rosen who, however, is leaving shortly); elementary and secondary Jewish schools in modern buildings; a home for the aged.

Symbolically, work has now started on a new institution - an Irish Jewish museum. This is to be housed in one of the former small *hevra* synagogues, in Walworth Road, where the upstairs synagogue will be preserved as a memorial and the downstairs hall used for the museum. Photographs, documents, minute books, newspapers and memorabilia are being assembled, and it is hoped to open the museum next year.

SEVEN YEARS ago, when I was last in the west of Ireland, I basked in the positive image of Israel. *Exodus* had recently been shown on Irish TV, and I found myself being congratulated for "what you did to the British." I wondered whether this had changed, expecting that two subsequent events might have made an impact: the Irish involvement in Lebanon, with a number of incidents involving tension with Israel, and the election of a president emanating

from Ireland. In fact, neither was mentioned, except for my Dublin landlady's query: "Isn't there some head man in Israel that's from Dublin?"

The most common first reaction to hearing that I came from Israel, even in the remotest areas of the west, was: "And how are you going to get out of your economic trouble?" All knew in general terms of the country's plight, although they still stared in disbelief when I mentioned an inflation rate of 400 per cent.

Israel is news out there. Even on a day with interesting developments elsewhere in the world, I heard an Irish radio bulletin begin: "Shimon Peres has still not put a government together." The problem of "that American rabbi" is well known, while under the heading "Jewish Winter," one local newspaper announced: "Confounding all evidence to the contrary and with temperatures in the mid-80s [Fahrenheit], the Israeli government

yesterday declared that winter had arrived and summer time had ended."

Especially in the Irish-speaking areas, with no more than 7,000 native speakers of the language, jealous admiration is often heard for the success of the Hebrew revival. With the establishment of the Irish Free State in 1922, determined steps were taken to revive Irish, which was made compulsory in schools and introduced into the government and the law courts, newspaper and radio. But the Irish revival has failed, because Irishmen were happy using English, whose impact only increased with the advent of the mass visual media.

Schoolchildren resented the time "wasted" on Irish but derived some compensation from its potential, if rather artificial, application for certain careers. Now the authorities have retreated and, for example, a knowledge of Irish is no longer compulsory even for entry to the Civil Service, so that the pupils' resentment today is even stronger.

"The children learn Irish as they learn French or any other foreign

language. They have no motivation - not like you in Israel," said a teacher wistfully.

LIKE JAMES JOYCE, some of the more intellectual perceive similarities between the Irish and the Jews. "You people are like us," said one restaurant owner, well in his cups. "You are emotional and so are we. Your roots go back to Bible days, and so do ours. You are a divided people, and so are we. And you have problems with your neighbours, like us. I don't believe, that in your heart of hearts, you'd ever trust an Arab - just as in my heart of hearts, I'd never trust a Protestant."

He then proceeded to expound his theory that the early settlers in the west of Ireland could have come from the Mediterranean area. "It's been proved," he stated with complete conviction, "that if you put a cork in the sea in Jerusalem, it will eventually end up in the west of Ireland," and he cited a wealth of oceanographic "evidence" to back his thesis.

When I remarked humorously that the name of the village of Bally-david where we were sitting meant in Irish "town of David," which was the same as Jerusalem, he took me up seriously. "After all, David is not an Irish name and maybe the descendants of King David sailed to Ire-

land."

Admiration for Israeli enterprise was widely expressed. "What I like about you fellows," said Father Murphy, a priest in County Kerry with whom I became friendly, "is that you go in and do what has to be done, and you don't let nonsense like international law stand in your way." He spoke in high praise of the Mossad (the term is now in the English vocabulary) and their "no-nonsense tactics."

Father Murphy was an unusual character: he had visited Israel twice in the framework of pilgrim groups and had a broad liberal interest in Jewish-Christian relations. But, he emphasized, "I'm one of the few interested in the subject. Most people are puzzled by the Jews, who are strange and alien. They hear about Jews in New Testament times, but they see this as ancient history. They don't really associate this with the Jews of today and most of them have never even seen one. There is not so much of the old anti-Semitism around, although traces may remain, but for the average Irishman, the Jew belongs to another world."

Even he, however, had been affected by current canards and asked me if it was true that the Jews, unlike the Jordanians, hampered the Easter Christian procession along Jerusalem's Via Dolorosa.

..and Bombay

By TINA CHOU / Bombay

A seven-year absence. Indian-born conductor Zubin Mehta returned to his homeland for a triumphant concert tour, patching a dispute with the Indian government over differences about Israel.

"Thank you for playing for us. We love you," said a large roadside board which greeted Mehta as he Royce drove him past boulevards and slums in Bombay, his city in western India.

In estimated 20 million Indians chanted his name in a concert broadcast live by government-run radio. Tickets for his five performances in three cities - New Delhi, Calcutta and Bombay - were sold out minutes after they were available, with the best seats costing up to 500 rupees (about \$50).

The Indian tour saw the 48-year-old Mehta, hailed as "India's greatest ambassador of music," making a bitter vow against playing in another country after he was asked permission to bring the Israel Philharmonic Orchestra of which he is music director here in 1977.

The Janata party government of prime minister Morarji Desai refused to let Israeli musicians in for fear of offending Arab allies with which India has close

ties. Gandhi, who pursues a strong anti-Israel policy, is unlikely to reverse the former government's decision and allow Israeli musicians to perform in India.

A tour to India by the Israel Philharmonic would "definitely help improve understanding between India and Israel," Mehta said, adding that his previous concerts in West Germany had brought Germans and Jews "smiling at each other."

Mehta, from a middle-class Parsi family, left medical studies and travelled to Vienna to study conducting at the age of 17, after being encouraged by his father, a self-taught violinist who is now music director of the American Youth Orchestra in Los Angeles.

Before he became conductor of the New York Philharmonic in 1976 Mehta was music director of Los Angeles orchestra and Montreal Philharmonic and has conducted several world-renowned groups.

DESPITE THE enthusiastic response to Mehta's homecoming, his music is accepted and understood by only a few in India, where more than 85 per cent of the 750 million people live in villages with virtually no exposure to Western influence.

The Indian tour was a sentimental journey for Mehta. He said, "I have never really left India, you know. It is still today the only place my dreams take me to. Every morning of my life I wake up in Bombay."

"I am at home in New York, in California, and in Tel Aviv. But in no place do I have the same feeling of warmth inside me as when I return to Bombay," he told reporters in his home city.

To demonstrate his pride at being a Parsi, Mehta arranged a Parsi feast for New York Philharmonic members, where traditional Parsi food was served and Parsi music was played.

About 80,000 Parsis, who are of Persian descent and migrated to India from Iran, live in Bombay and are active in business fields throughout India.

"I am an Indian and I am proud of it. This is definitely the reason why I still hold on to my Indian passport," Mehta said. (Associated Press Service)

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Peres goes to Washington

ISRAEL-U.S. meetings at the highest government level have become a regular and frequent feature over the years. The times when an Israeli prime minister, even of the stature of David Ben-Gurion, had to wait nine years— from 1951 until 1960— before he could come to Washington are long passed.

These frequent top-level talks between American and Israeli government leaders are a true reflection of the special relationship which has developed between the two countries over the past 20 years. The political changes in Israel during the past year— Prime Minister Menachem Begin's resignation, the elections and now the formation of a new national unity government— account for the fact that 10 months have passed since an Israeli premier went to Washington. This was the visit of then premier Yitzhak Shamir towards the end of last year. This in itself had been much delayed, following the last-minute postponement by Mr. Begin earlier in the year.

Meanwhile, much has happened in this part of the world, while Israel's economy has gone from bad to worse. That, apparently, is also the main reason for the decision of Prime Minister Shimon Peres— as approved at the first session of the national unity government on Sunday— to go to Washington in the first month of his premiership. It will be an unprecedented visit in some ways in that it will take place exactly four weeks before the American presidential election. But, as U.S. Ambassador Samuel Lewis aptly put it, a visit to Washington by Israeli dignitaries, even so close to elections, is different because of the two countries' special relationship.

Yet, the unique timing of Premier Peres's visit will impose certain restraints on its very nature, making it a brief "working visit" with limited public exposure. The national unity character of Israel's new government will be properly represented, since Vice Premier and Foreign Minister Shamir will be joining Mr. Peres in the summit talks at the White House.

The talks in Washington by Israel's top leaders in about three weeks' time, presuppose that by then the government will have begun to implement stringent economic measures as a first step towards extricating Israel from its severe economic crisis. That is a prior condition for considering Israel's expected request for additional, extraordinary American assistance beyond the \$2.6 billion already pledged in military and civilian aid.

Finance Minister Yitzhak Moda'i, who has postponed his own visit to Washington so as to be able to oversee the economic recovery plan at home, indicated yesterday that Washington's expectations of Israel's austerity measures are larger and more stringent than what the government was thinking of doing. This followed his meeting yesterday with Ambassador Lewis; it seems that the message of Israel's near-total dependence on Washington had apparently been driven home.

That means that Mr. Peres's and Mr. Shamir's meetings with President Ronald Reagan and Secretary of State George Shultz (who has taken a special interest in Israel's economic predicament), are likely to invite all sorts of pressures from which Washington held back pending formation of a new, stable government in Jerusalem.

But it also means that, before Israel can expect any more aid to help tide it over the economic crisis, it must first put its own house in order. The fact that Jerusalem and Washington are likely now to find more common ground on other pressing issues, such as the early withdrawal from Lebanon, will not change this stark reality.

PERES-ECONOMY

(Continued from Page One)

address abroad if there is no address at home."

"With realism regarding the present situation and optimism regarding the economic and industrial future of Israel, the government of national unity is taking its first steps, and you are invited to take a part as honoured and equal partners."

With these words Peres closed his speech, which seemed designed to set the tone for the public atmosphere that the government will be seeking to engender in the immediate future.

Speaking immediately before Peres, Ya'acobi noted that although he had been in close touch with developments in the economy before becoming a minister, he only now realized that the situation was far more serious than even he had considered it.

Given this, Ya'acobi said, "the decision is between allowing the economy to slide into an uncontrollable decline— in which case events will dictate policy— and maintaining a voluntary policy of righting our

situation by ourselves, within the limits of action left to us."

Sharon spoke clearly and systematically of the problems facing the industrial sector and what he as minister thought could be done about them.

He said that the main burden of rehabilitating the economy would fall on industry and he would not lend his hand to any attempt to cut the resources made available to industry. "My main task," he said, "is to restore the lost glory (of the industrial sector)."

Sharon's speech took the form of a personal programme for what he hoped and envisaged could be achieved by industry under his overseeing. He set targets of 7-9 per cent annual growth in industrial production and 15 per cent annual growth in industrial exports for the next several years, so that the latter would reach the \$6 billion level by 1987.

Sharon devoted his entire half-hour speech to matters of closest concern to his audience, and kept away from political and defence affairs.

ETHIOPIANS DYING

(Continued from Page One)

cial, Philip Sargisson, told *The Jerusalem Post* that there are "serious problems," and many of the refugees arrive in "pitiful condition."

He said about 150 refugees have died over a period of some months, explaining that "the main problem in the area is logistics— everything breaks down during the rainy season (July-September)."

He said that the deputy chief of his UN unit had left Geneva yesterday morning for the area to check the reports of a worsening situation.

The medical source said he thought that the Jews of the world must put the plight of the Ethiopian

Jews at the top of the agenda. He was not sure whether it should be further publicized that the Jews are in the camps somewhere outside Ethiopia— there is the ever-present risk of pogroms, he said. "I don't believe their hosts are against their leaving," he said. If Israel wished, it could do more by pressing the U.S., he said.

The figure of up to 15 Ethiopian Jews dying each day, he said, is only an estimate, since the dead are buried within two hours. Many refugees are living in tents where the heat rises to 60 degrees during the day. Others live in small thatched mud-wattle huts, with 16-18 persons to a tent.

TAX BRACKETS

(Continued from Page One)

tion of their talks. With him will be Prime Minister Shimon Peres, Deputy Prime Minister David Levy and Economy and Planning Minister Gad Ya'acobi.

Tomorrow the cabinet is to meet for what the Treasury calls a "seminar" on the economic situation. Apparently the meeting is described in this way to stress that the cabinet will have no power to refuse any of the cuts that will be proposed by Moda'i and Ya'acobi.

Roy Isaacowitz adds:
Histadrut Secretary-General Yisrael Kessar will participate in today's negotiating session with the government, despite his anger at Moda'i's refusal to revise the September tax

brackets. Kessar was persuaded to participate by Peres in a telephone conversation yesterday evening. He rejected demands by members of Mapam's Histadrut faction that he refuse to attend the meeting in protest against Moda'i's move.

Kessar said that failure to revise the tax brackets would be contrary to an agreement he signed with former finance minister Yigal Cohen-Orgad two weeks ago.

Kessar said that the labour federation will not tolerate any attempt to weaken the C-o-L increment mechanism. Histadrut sources added last night that Kessar will insist that the brackets must be revised before the end of this week.

IN THE new government's "guidelines," special emphasis is placed on the country's pressing economic problems. Indeed, six long and detailed articles are devoted to the subject. That is as it should be, no other topic today is either as urgent or as important in determining Israel's future.

One question which immediately comes to mind is how an effective economic policy can be adopted and implemented when all decisions of the "economic cabinet" (as opposed to those of the "political cabinet") must first be ratified by the government as a whole (particularly if one takes account of the size of the full government and the well-known attitudes of some of its ministers)?

I cannot predict the new finance minister's priorities, but there can be no doubt that in order to halt ever-increasing economic deterioration we have witnessed in most fields over the last few years— particularly with regard to inflation and to our foreign currency reserves— almost the first step of the new government must be a considerable reduction in its own expenditure.

This, of course, is far from easy, considering that about two-thirds of the budget is destined for such "rigid" items as defence and debt-servicing.

It should, therefore, be clear that when considering budget cuts, such major national projects as the Lavie fighter plane and the Med-Dead Sea Canal cannot be excluded. At the same time, there will have to be major cutbacks in expenditure on new or existing settlements (on both sides of the Green Line), in social services, and in the volume of various public works and subsidized housing.

Moreover, there will have to be a substantial squeeze on our "normal" defence expenditure (and not only the special "Lebanon" budget). And Defence Minister Yitzhak Rabin is well aware of this. Implicit, too, is the need for a serious reappraisal of some of our security concepts, with the aim of getting our defensive objectives and needs more in tune with economic realities.

IT IS A PITY that instead of carrying out the necessary structural changes in Israel's economy in a gradual and well-planned (and certainly less painful) manner— which would have been accomplished if former finance minister Yigal Hurvitz had been given the opportunity to pursue his policies— the near-catastrophic conditions created by the mismanagement over the last few years have created a situation which makes drastic measures absolutely essential.

It should be obvious, for instance,

Economic imperatives

By ZALMAN SHOVAL

that cuts in public spending must include a substantial reduction in the huge amounts allocated for all sorts of "subsidies"— be it for capital, fuel, food, health, education or otherwise.

Inescapably, these measures will affect all strata of society (and not always in the most equitable way). But reducing government spending also means reducing the economic activity of the government itself.

Thus, there will be fewer business orders, which in turn may cause difficulties for certain sectors with resulting partial unemployment. One can only hope that the extent of this unemployment will be limited and controlled. But we should be under no illusion that while absolutely "full employment" is tenable under present circumstances, our choice is not, in effect, between "full employment" on the one hand and unemployment on the other, but rather between disastrous mass-unemployment and controlled and limited unemployment for a relatively short period of time.

During this time, a major, comprehensive effort must be made by all to reduce activity in economically non-advantageous branches and to do away with "hidden unemployment" in parts of the public sector in such a way as to stimulate a transfer of human and financial resources to other more viable sectors.

THE GOVERNMENT, in conjunction with the Histadrut, may initially decide on a temporary freeze of prices and wages, but this would be mainly for psychological and political reasons. In addition, a whole series of complementary, much more substantial, measures will have to be decided upon:

These might include:
□ A further devaluation of up to 10 per cent, but this would be advisable only if coupled with a severe cutback in the amount of money printed by the government. If it is not, devaluation, after briefly benefiting exports, will inevitably result in further inflation;
□ A temporary tightening of foreign-currency controls;
□ A reform of the capital-market with the object of alleviating the problem of the excessive liquidity of some of the internal loans and creating new investment and saving schemes, both by expanding the activity of the Stock Exchange and

by selling off state property to the public.

□ An amendment to the Law for Taxation under Inflationary Conditions (and the adoption in its place of criteria which would reflect assets, earnings, etc. at their true dollar value); a reduction of the tax and social security burden on income and work activity, and a raising of taxes on expenditure instead. Unpopular as this may sound, the government may also be well-advised to give serious consideration to a one-time levy on all non-business assets.

This might be called for from the fiscal point of view, and it would also reflect the fact that the accumulation of many of these assets over the years was greatly facilitated by artificial conditions in our general financial situation (subsidized acquisitions of property and goods, income growth over and above productivity, etc.).

□ A basic change in the Law for the Encouragement of Investments which, in its present form, does not always fit the needs of an economy which must make a strenuous and concerted effort to further those branches which produce goods and services in which we have a comparative advantage and whose "added value" is relatively high.

AND FINALLY (and one is almost afraid to mention this), it is difficult to see how the Israeli economy can ever be stabilized if the system of index linkage is allowed to continue in its present form.

The government will surely seek a way to partially neutralize automatic pay increases, but at a later stage it should give some thought to changing the index system itself.

The almost total linkage embracing most facets of the Israeli economy— good as the intentions of its creators— has long since become a major negative factor not only with regard to the ever-accelerating spiral of inflation, but also because it more or less negates any attempt at an effective monetary policy.

Abolishing indexation is, of course, a political hot potato of the first order, and perhaps only a government with as wide a base as the present one could hope to cope with it.

However, even a gradual revocation of the linkage system will be possible only if it is accompanied by other measures which will persuade

the public that it is preferable to take the difficult road of stabilizing the economy and stopping inflation (and hence, fortifying the purchasing power of the Israeli currency), than continuing on the illusory road of "how to live with inflation."

BUT IN ORDER to stem inflation and revive public confidence in our currency, the government will have to forgo its seemingly unencumbered privilege to resort to the printing press every time it needs to bridge the gap between income and (often wasteful) expenditure.

In other words, rules will have to be established to set a legal ceiling on the amounts of money which the government is allowed to print— and this limitation should relate to such factors as inflow from taxation and other revenue, as well as real economic growth.

In these days of instant and universal media coverage, no economic policy can succeed without a major effort to gain the public's support. One way to achieve this is to convince the public— by word and, particularly, by deed— that not only are all the tough measures fair and just, but also that they are going to succeed.

"Tell the people the truth, and they will be ready to make the sacrifices," Winston Churchill said in World War II. This certainly applies to economic hardships, too.

Israel's alternatives are very clear today: either to cut wasteful expenditure, become more efficient and productive— and restructure its economy so as to be better able to exploit its very considerable human, technological and scientific resources in order to achieve economic near self-sufficiency— or continue on the downward path towards total bankruptcy (or worse).

HARDLY A DAY passes without some mention in the media of Israeli requests for new American aid; an increased financial aid-package is rumoured to be a major objective for both Prime Minister Peres and Finance Minister Moda'i in their forthcoming trips to Washington.

We will indeed need further American readiness to aid us in restabilizing our economy, and this will be especially true in the first stages of the government's economic recovery programme; that period in which the financial brakes will be ruthlessly applied.

At this time, only the "dark moon"— unemployment, fiscal restrictions, business failure— will be visible. Unfortunately, these are possible milestones on the road to recovery.

It is then, more than at any other time, that the Israeli economy needs "shoring up," both for the sake of internal stability and in order to ensure that the world's financial community continues to put its trust in Israel's ability to draw back from the abyss.

In other words, what Israel needs and what it may be entitled to expect from the U.S., is not more and more money to help finance its intertemporal public and private standard of living, but rather a "contingency fund," a sort of financial "safety net," to help it overcome the difficult period of readjustment of the next few years.

By the way, we are often told that Israel already is the recipient of the largest amount of American foreign aid. Statistically, this is correct— but were Washington to register the amounts allocated for military aid to Israel under a different budgetary heading— e.g. "defence"— might the picture not look quite different? (After all, the huge amounts America spends each year on the defence of Japan and Western Europe do not appear as "foreign aid" to these countries.)

Nor, it should be added, was Israel's economic situation greatly helped by the amateurish fashion in which our representatives at the time negotiated the economic side of the Camp David accords and the withdrawal from Sinai agreements.

These accords— in addition to the aspects directly relating to Egyptian-Israeli peace and to the future of Judea, Samaria and Gaza— represented a very major boon for U.S. strategic and diplomatic interests in the area, for which Israel had to bear a disproportionately high economic burden (the loss of its Sinai oil well compensation to Sinai settlers, but especially the cost incurred by the need to re-plan and redeploy almost entirely its southern and eastern defences).

ALL THESE are points which should be borne in mind by Israel negotiators as well as by their American counterparts. Still, we should certainly take to heart the words of our American friends who tell us that help will be forthcoming— providing we take the necessary steps to put our own house in order.

This is good advice. Otherwise, with all the aid in the world, Israel's economic safety (and, hence, its very existence) would continue to be launched on a knife-edge.

The writer is a former Likud-Rafi MK.

READERS' LETTERS

POLLUTION IN EILAT

To the Editor of *The Jerusalem Post* Sir, — As a marine biologist who recently made aliya and is now working in Eilat, I am naturally concerned, along with many others, about the proposed sewerage works at Akaba in Jordan and its potential for causing damage to the sensitive environment here on the Red Sea.

The recent oil spillages in Eilat, which created such a furore in the media, were also and justifiably a major cause for concern. Although they were eventually contained, they caused undeniable damage and the blame for this tragedy lies among our own citizens.

You can imagine my horror, therefore, when, last weekend at the Coral Beach, I saw raw sewage being discharged directly into the water right beside a spot where many tourists were swimming. On inquiry, I found that this situation has pre-

vailed intermittently for the best part of a year and that the authorities are perfectly aware of it, but apparently indifferent.

Quite apart from the destruction this causes to the unique coral reefs, I wonder how many tourists, which are our principal industry, will feel like visiting Eilat and swimming in the sea when they realize what a risk they are taking with their health. Should this be allowed to continue, the day will soon come when there will be no coral reefs, no tourism, and therefore no Eilat.

Perhaps before we start worrying about what the Jordanians may do (which is also our valid concern), we should worry more about our own standards and be rather more insistent with our elected officials and a little less hypocritical in our attitude to others.

SHAWN PRESCOTT

EXPORT IN THE EIGHTIES

To the Editor of *The Jerusalem Post* Sir, — Menachem Livnat of the Ministry of Industry and Trade is right to criticize our businessmen over exports (September 2), but I would have preferred to hear from him why Israel's export promotion efforts have failed to adjust to the changes in world trade and world marketing.

Countries like Ireland, Finland, Denmark, Sweden and Austria, whose marketing problems can be compared to ours, have created facilities, which in the last decade have overcome the deficiencies inherent in the passive promotion methods, which use only chit-chat commercial attachés, static information services, trade fairs and bi-national chambers of commerce as a cure-all for the lack of knowhow and experience of exporters.

This country has no comprehensive training institute to educate export manpower. If the fashion indus-

try had not had the Shenkar College, where would the textile industry be now?

Without a modern infrastructure of export marketing promotion, using qualified people with sales and export experience in the field, how can one expect a significant breakthrough in exports, which are now threatened by stagnation. Changing product orientation based upon the local scene towards world markets requires more than the simple recipe Mr. Livnat recommends. Export in the eighties is too serious a matter to be left to the system of trial and error.

MANFRED KLAFTER

Jerusalem.

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BETTER BUSINESS

IN JERUSALEM

To the Editor of *The Jerusalem Post* Sir, — A year ago, I bought a pair of shoes from Hamegaper, Na'alei Yerushalayim, in Romema. When both soles were no good after about a year, I took the shoes back to the factory to see if they could replace the soles at my expense. The manager insisted that this should not have happened. Within a week they replaced them at their expense and even called me promptly at home to say that the shoes were ready.

It is a real pleasure to realize that there are some businesses who still place such emphasis on craftsmanship and customer relations.

Jerusalem. Dr. JOHN K. HALL

REGRETTABLE WITHDRAWAL

To the Editor of *The Jerusalem Post* Sir, — Although one knows it is only a minor disaster compared to all the other horrors daily taking place round us, nevertheless the withdrawal of Abba Eban as a potential candidate for Knesset Speaker is highly regrettable.

In the very short time he filled in as Acting Speaker, Eban demonstrated how much a witty civilised man can contribute to Israeli political life. In the midst of all the relentless rapacity, humourlessness and down-right cloddishness exhibited by most of the other figures on the political scene, it was a great relief to see that

someone still had the objectivity and capacity to rise above the surrounding mediocrity.

Of course this only underlines one of the most miserable facts of our life today— that a potential political appointee's ability, experience, training and character are almost immaterial. What matters is whether he or she can be fitted into a degrading and destructive game of snakes and ladders.

Somewhere one is fairly sure the government based on such highly questionable criteria cannot long, but that is small comfort.

Jerusalem. AVIVA EVEN-P

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